

## DECEMBER 2008 FINANCIALS – BRIEF NOTES

1	<b>Net Rates &amp; Utility Charges</b>	<b>YTD Actual</b> \$151.099 m	<b>YTD Budget</b> \$153.333 m	<b>Unfavourable</b> (\$2.234) m	<b>Favourable</b> (1.46%)	<b>Original Budget</b> \$320.455 m	<b>Current Budget</b> \$319.743 m
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General rates are \$1.519m behind before discounts, with the balance of the variance here largely attributable to the treatment of water consumption budgets and actuals in the Tewanin office.

2	<b>Interest Received from Investments</b>	<b>YTD Actual</b> \$10.809 m	<b>YTD Budget</b> \$8.686 m	<b>Favourable</b> \$2.123 m	<b>Favourable</b> 24.44%	<b>Original Budget</b> \$14.620 m	<b>Current Budget</b> \$16.620 m
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Council's cash balances are higher than forecast due largely to the lag in delivery of the capital works programme; with lower interest rate and an anticipated catch-up in the works programme, this variance should not continue at this rate.

3	<b>Proceeds for Sale of Land held for resale</b>	<b>YTD Actual</b> \$0.000 m	<b>YTD Budget</b> \$2.089 m	<b>Unfavourable</b> (\$2.089) m	<b>Unfavourable</b> (100.00%)	<b>Original Budget</b> \$4.179 m	<b>Current Budget</b> \$4.179 m
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Land development projects at North are likely to be transferred to the 2009-10 Financial Year.

4	<b>Other Revenue</b>	<b>YTD Actual</b> \$11.287 m	<b>YTD Budget</b> \$9.483 m	<b>Favourable</b> \$1.804 m	<b>Favourable</b> 19.02%	<b>Original Budget</b> \$7.321 m	<b>Current Budget</b> \$13.975 m
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This variance is mainly attributable to approximately \$0.4m of revenue under the Service Level Agreement with the Bulk Water Supply Authority, and a similar amount is for services under a contract for servicing water treatment plants, though the latter is balanced by an offsetting variance in materials and services. The balance is mainly attributable to a \$0.5m payment from the Council of Mayors.

5	<b>Capitalised Employee Costs</b>	<b>YTD Actual</b> (\$6.055) m	<b>YTD Budget</b> (\$8.568) m	<b>Unfavourable</b> \$2.513 m	<b>Unfavourable</b> (29.33%)	<b>Original Budget</b> (\$13.913) m	<b>Current Budget</b> (\$17.046) m
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The variance here is driven by the pace of the capital works programme, discussed further below.

6	<b>Materials &amp; Services</b>	<b>YTD Actual</b> \$102.392 m	<b>YTD Budget</b> \$122.084 m	<b>Favourable</b> (\$19.692) m	<b>Favourable</b> (16.13%)	<b>Original Budget</b> \$222.860 m	<b>Current Budget</b> \$249.019 m
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This variance has been mainly impacted by the pace of the capital works programme, with 77% of the variance in the main works delivery departments of Infrastructure Services and Sunshine Coast Water. Planning projects are also proceeding more slowly than implied in budget profiling. Electricity costs of \$0.9m and bulk water purchases at North \$0.4m partially offset these underruns.

7	<b>Capitalised Materials &amp; Services</b>	<b>YTD Actual</b> (\$19.865) m	<b>YTD Budget</b> (\$33.073) m	<b>Unfavourable</b> \$13.208 m	<b>Unfavourable</b> (39.94%)	<b>Original Budget</b> (\$57.960) m	<b>Current Budget</b> (\$66.965) m
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The variance here is driven by the pace of the capital works programme, discussed further below.

8	<b>Finance Costs</b>	<b>YTD Actual</b> \$4.547 m	<b>YTD Budget</b> \$4.162 m	<b>Unfavourable</b> \$0.385 m	<b>Unfavourable</b> 9.25%	<b>Original Budget</b> \$8.213 m	<b>Current Budget</b> \$8.321 m
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A recasting of Council's loan portfolio will have an unfavourable impact on this line during the current financial year. Actuals now reflect the revised structure, with the budget planned to be changed once a report on the subject has been to Council.

9	<b>Company Contributions</b>	<b>YTD Actual</b> \$2.920 m	<b>YTD Budget</b> \$1.977 m	<b>Unfavourable</b> \$0.943 m	<b>Unfavourable</b> 47.73%	<b>Original Budget</b> \$2.620 m	<b>Current Budget</b> \$2.620 m
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Year to date overspend caused by early payment of contributions to companies, this reflects a change in policy from previous years.

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10	<b>Current Cost of Developed Land Sold</b>	YTD Actual	YTD Budget	Favourable		Original Budget	\$4.783 m
		\$0.051 m	\$2.390 m	(\$2.339) m	(97.86%)	Current Budget	\$4.783 m

Land development projects at North are likely to be transferred to the 2009-10 Financial Year.

11	<b>Capital Grants and Subsidies</b>	YTD Actual	YTD Budget	Unfavourable		Original Budget	\$19.151 m
		\$5.877 m	\$7.832 m	(\$1.955) m	(24.96%)	Current Budget	\$26.901 m

This variance is mainly due to the timing of the capital works programme. Projects include items such as the Cooroy Library, the Noosa Heads Visitor Information Centre & Surf Club Toilets and Bulcock Beach board work rehabilitation.

12	<b>Capital Contributions</b>	YTD Actual	YTD Budget	Favourable		Original Budget	\$31.151 m
		\$20.466 m	\$16.273 m	\$4.193 m	25.77%	Current Budget	\$32.201 m

Given potential time lags in the development approval process, capital contributions have proven very difficult to budget and profile. The year to date variance largely arises from contributions due for one particular development.

13	<b>Loans Utilised</b>	YTD Actual	YTD Budget	Favourable		Original Budget	\$49.431 m
		\$1.450 m	\$14.828 m	(\$13.378) m	(90.22%)	Current Budget	\$59.954 m

Current loan treatments vary at a regional level. For central, loans are budgeted to be drawn down in June 2009. At North and South, line represents the utilisation of loans from previous financial years and the variance thus reflects delays to the capital program.

14	<b>Depreciation Utilised</b>	YTD Actual	YTD Budget	Favourable		Original Budget	\$83.144 m
		\$37.193 m	\$42.449 m	(\$5.256) m	(12.38%)	Current Budget	\$84.891 m

The utilisation of depreciation is a funding source for the capital program and thus this line item variance reflects delays to the capital program.

15	<b>Constructed Assets</b>	YTD Actual	YTD Budget	Unfavourable		Original Budget	\$163.116 m
		\$67.447 m	\$81.629 m	(\$14.182) m	(17.37%)	Current Budget	\$205.478 m

32.8% of the full year budget has been expended with 50.0% of the year gone. This result is distorted by the \$9.258m of land acquisition for the Sunshine Coast Airport (this item will be funded in the next budget review). Excluding this acquisition, the proportion of the full year budget spent falls 28.3%. This is a slight improvement over the November result.

16	<b>Contributed Assets</b>	YTD Actual	YTD Budget	Unfavourable		Original Budget	\$43.880 m
		\$44.427 m	\$21.984 m	\$22.443 m	102.09%	Current Budget	\$45.126 m

This line item is difficult to budget and profile due to its reliance upon the timing of developments. The year to date variance is largely attributable to the Peregrin Springs and Park Lakes developments.

### **CORPORATE SUMMARY**

The financial position to date continues to be dominated by the differences between actual and budgeted capital works delivery. This area will continue to be revised through future budget reviews. On the operating side there are other underspends and income sources which counter the lower than anticipated levels of rates revenue.